

# BUDGET LETTER

SUBJECT: INITIAL SCHEDULE 10RS (SUPPLEMENTARY SCHEDULES OF REVENUES AND TRANSFERS)	NUMBER: 06-22 DATE ISSUED: August 18, 2006
REFERENCES:	SUPERSEDES: BL 05-24

TO: Departmental Budget Officers  
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

**PLEASE NOTE CHANGE TO PROCESS:** This first pass of Schedule 10Rs is to collect only past year revenue information. Departmental Budget Officers will receive a hard copy of this Budget Letter (BL) with Schedule 10Rs attached.

The Schedule 10Rs (Supplementary Schedules of Revenues and Transfers) are provided to departments to report General Fund and Special Fund revenue and transfer data for the preparation of the Governor's Budget and other special budget processes.

**Departments must review, update, and submit Schedule 10Rs with final past year information to their Finance budget analyst by September 8, 2006. Finance budget analysts must submit these Schedule 10Rs to Financial Operations by September 15, 2006. Data for the past and current years are pre-posted on the Schedule 10Rs based on the latest information in the Department of Finance (Finance) Revenue System. Do not change current year information or provide budget year information for this pass. This information will not be used by Finance. Schedule 10Rs for current and budget year information will be distributed and collected at a later date.**

Use the following special reminders in completing the Schedule 10Rs:

## A. Rounding

All revenue and transfer amounts must be rounded to the thousands.

## B. Data for the Past Year (2005-06)

1. All past year Schedule 10R data should tie to the year-end financial statements reported to the State Controller's Office (SCO). Revenue data, excluding transfers and loans, should agree with the Final Statement of Revenue, Year-End Statement No. 4. **Attach an explanation for any differences due to timing or other factors.**
2. Post year-end data from departmental records onto the Schedule 10R. CALSTARS agencies may use the automated CSTARQ26 - Year End Statement of Revenue report to post to the Schedule 10R.
3. Finance will reconcile General Fund revenue data from the Schedule 10Rs with revenue data reported by the SCO. If adjustments are necessary to reconcile amounts reported to Finance with amounts reported to the SCO, you may be asked to submit a revised Schedule 10R or submit revised financial statements to the SCO.

### **C. Nongovernmental Cost Funds**

1. Do not post revenues on the Schedule 10Rs for nongovernmental cost funds.
2. Post **only** the following: (1) transfers to/from the General Fund and special funds, or (2) loans to/from the General Fund or special funds.

### **D. Loans and Loan Repayments**

1. All loans and loan repayments to/from the General Fund and to/from special funds will be treated as revenue transfers and shown on the Schedule 10R.
2. The loan authority (i.e., Budget Act Item, provisional language, special legislation, etc.) for loans and loan repayments must be cited on the Schedule 10R for both the fund providing the loan and the fund receiving the loan.
3. The Schedule 10R authority cited must begin with the word “loan” to indicate that the amount is a loan rather than a transfer. For loan repayments, the Schedule 10R authority cited must begin with the words “loan repayment.”
4. Report interest revenue attributable to loans in the revenue section of the Schedule 10R; this revenue is classified in the Uniform Codes Manual (UCM) as Interest Income from Interfund Loans, Revenue Code 1505.
5. Do not report interest expense on loans on the Schedule 10R; this cost is an expenditure classified in the UCM as Interest, Object Code 441602, which must be included in planning estimates and Schedule 10s.
6. Finance analysts must coordinate with other appropriate analysts if loans affect funds in other budgets.

### **E. Significant Changes**

Past year Schedule 10Rs should be final when they are submitted to the Finance budget analysts. Only significant changes will be accepted after the original due date.

If you have any questions regarding Schedule 10Rs, please call your Finance budget analyst or Linda Sebastiani, Financial Operations, at (916) 322-5540 (CNET 492-5540).

/s/ Veronica Chung-Ng

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